

## Message Text

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ORIGIN IO-14

INFO OCT-01 AGRE-00 USIE-00 AID-05 EB-07 AF-10 ARA-14  
EA-09 EUR-12 NEA-10 COME-00 ISO-00 TRSE-00 SSO-00  
OMB-01 ABF-01 /084 R

DRAFTED BY IO/AGR:JSWOLF:DKS

APPROVED BY IO:CWMAYNES

IO/DHP:CNORRIS

USDA:HWILHELM

EB/OFP:PTAYLOR

AID/PPC:PSALES

-----082359Z 123146 /14

O P 082318Z JUN 77 ZFF4  
FM SECSTATE WASHDC  
TO AMEMBASSY ROME NIACT IMMEDIATE  
INFO USMISSION GENEVA PRIORITY  
USMISSION USUN NEW YORK

UNCLAS STATE 132794

FODAG

E.O. 11652: N/A

TAGS: FAO, OCON, EAGR

SUBJECT:71ST FAO COUNCIL: TCP

REF: (A) ROME 9341, (B) ROME 9387

1. IN VIEW OF CIRCUMSTANCES WE AGREE COURSE PROPOSED  
PARAS 6, 11, AND 12 OF REF A IS ALTERNATIVE WHICH BEST  
MEETS OUR MINIMUM NEEDS. DELEGATION THEREFORE AUTHORIZED  
TO ATTEMPT COMPROMISE ALONG THOSE LINES.

2. IT IS IMPERATIVE THAT EVALUATION BE FULLY CANDID AND  
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FULLY OBJECTIVE. ITS PURPOSE SHOULD BE NEITHER TO  
SUSTAIN TCP IN 1980/81 NOR REJECT IT. INSTEAD, EVALUATION  
SHOULD PROVIDE COUNCIL MEMBERS WITH COMPREHENSIVE ANALYSIS  
ON WHICH TO BASE RECOMMENDATIONS FOR 1980/81 BUDGET.  
IDEALLY, EVALUATION TEAM WOULD BE FULLY INDEPENDENT OF  
SECRETARIAT AND ACCOUNTABLE ONLY TO COUNCIL. CONSIDERATION  
COULD PERHAPS BE GIVEN TO PRIVATE CONSULTING FIRM SUCH AS

PRICE WATERHOUSE OR ARTHUR ANDERSON, OR TO INDEPENDENT EXPERTS (NOT TRADITIONALLY ASSOCIATED WITH FAO AS CONSULTANTS). (FYI. WE WOULD NOT WISH TO SEE JIU INVOLVED IN THIS EFFORT. END FYI). REALISTICALLY, HOWEVER, WHATEVER THE EVALUATION MECHANISM, IT WILL NEED TO COORDINATE CLOSELY WITH FAO SECRETARIAT. IT SHOULD ALSO,

HOWEVER, DRAW FULLY UPON THE VIEWS OF OTHER INTERESTED AGENCIES AND BODIES, BOTH WITHIN THE UN SYSTEM AND AMONG NATIONAL PLANNING/DEVELOPMENT AUTHORITIES.

3. DELEGATION SHOULD NOT (AND COUNCIL HOPEFULLY WILL NOT) TAKE POSITION AT THIS TIME ON DOLLAR FIGURE FOR TCP OR OVERALL BUDGET LEVEL. YOU MAY WISH TO POINT OUT THAT RATE OF EXPENDITURE REMAINS BELOW PROJECTIONS AND THAT MORE REASONED DECISION CAN BE MADE THIS FALL. DECISION ON WHO WILL EVALUATE TCP AND WHAT THE TERMS OF REFERENCE WILL BE SHOULD BE DEFERRED FOR CONFERENCE DECISION.

4. IN PRIOR CONSULTATION WITH DIRECTOR-GENERAL, DELEGATE SHOULD DRAW ON TALKING POINTS BELOW. HE SHOULD UNDERSTAND THAT, AS A FAIR REVIEW OF OUR PROPOSALS WILL MAKE CLEAR, WE WISH TO BE ACCOMMODATIVE BUT THAT THERE ARE LIMITS BEYOND WHICH WE CAN NOT RPT NOT PROCEED.

A. THE CARTER ADMINISTRATION IS STRONGLY COMMITTED TO IMPROVING THE ABILITY OF THE UN SYSTEM TO RESPOND EFFECTIVELY AND EFFICIENTLY WITH SUFFICIENT FUNDS TO MEET DEVELOPMENT OBJECTIVES WHICH WILL MAKE A REAL  
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DIFFERENCE IN PEOPLE'S LIVES.

B. WE UNDERSTAND CLEARLY THE NEED AND THE DESIRABILITY OF HAVING FUNDS AVAILABLE TO THE DIRECTOR GENERAL TO MEET EMERGENCIES AND SITUATIONS THAT REQUIRE QUICK REACTION. OUR PROPOSALS TO HIM DID TAKE THESE NEEDS INTO ACCOUNT AND, WHATEVER IS THE FINAL EVOLUTION OF TCP, WE REALIZE THIS IS AN AREA FOR WHICH THERE IS A DEMONSTRABLE NEED FOR FAO RESOURCES.

C. WE ALSO RECOGNIZE THAT THE SPECIAL DIFFICULTIES OF UNDP HAVE CREATED SEVERE CASH FLOW PROBLEMS IN LATE 1975 FOR SPECIALIZED AGENCIES LIKE FAO, AND THE EFFECTS OF THIS CRISIS MAY BE FELT WELL INTO THE NEXT BIENNIAL. HOWEVER, TO HELP RESTORE UNDP'S SOLVENCY, WE ARE SEEKING TO INCREASE OUR CONTRIBUTION TO UNDP FOR 1978 BY 30 PERCENT. IN ADDITION WE ARE PLANNING A MAJOR STATEMENT IN THE NEAR FUTURE ON UNDP AND THE UN DEVELOPMENT SYSTEM WHICH WE HOPE WILL ENSURE SOLID LONGER TERM FUNDING

AND PROMPT THE REFORMS WITHIN UNDP WHICH ARE NECESSARY  
TO MAKE ITS ASSISTANCE MORE EFFECTIVE.

D. LAST YEAR WE ACCEPTED THE TCP AS AN EXPERIMENT FOR  
1976/77. WE HAVE TRIED TO EXPLAIN TO THE DG SINCE AS  
EARLY AS FEBRUARY THAT WE HAVE CONCERNS ABOUT TCP WHICH  
ARE IN FACT SIMILAR TO THOSE EXPRESSED BY AT LEAST A  
FEW GG COUNTRIES LAST JULY. OUR POSITION OUGHT NOT TO

BE VIEWED AS A DIRECT AFFRONT TO THE DIRECTOR-GENERAL  
NOR AS AN EFFORT TO DEPRIVE HIM OF FLEXIBILITY OR FUNDS.  
IT STEMS INSTEAD FROM CONCERN OVER THE INCREASING TENDENCY  
AMONG ALL THE SPECIALIZED AGENCIES TO TURN TOWARD TECHNI-  
CAL ASSISTANCE FUNDED BY ASSESSED CONTRIBUTIONS. WHILE  
EACH AGENCY ACTS FOR ITS OWN GOOD REASONS, THESE PROGRAMS  
DO NOT TAKE ADEQUATE REGARD FOR THE SYSTEM AS A WHOLE.  
IT IS THIS POINT WHICH OUR CONGRESSIONAL CRITICS AND  
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THE PRESIDENT'S OFFICE OF MANAGEMENT AND BUDGET ARE  
CONTINUALLY RAISING.

E. OUR FEAR IS THAT A CONTINUATION OF THE TREND COULD  
SERIOUSLY UNDERMINE THE CONFIDENCE AND THE SUPPORT OF  
KEY DONOR STATES. SECRETARY VANCE REFLECTED THIS SENTI-  
MENT AT CIEC WHEN HE SAID, "...WE ARE STILL LEARNING  
WHAT WORKS IN INTERNATIONAL DEVELOPMENT AND WHAT DOES  
NOT; WHAT CREATES LASTING CHANGE AND WHAT DOES NOT...WE  
WILL DEMAND THAT THIS (INCREASED) AID BE MORE EFFECTIVELY  
PLANNED, DELIVERED, AND ADMINISTERED."

F. IN THAT SPIRIT WE ARE PREPARED TO ACCEPT TCP'S CON-  
TINUATION IN 1978/79 ALONG LINES SET BY THE 69TH FAO  
COUNCIL, ESPECIALLY AS AMPLIFIED BY DG IN HIS OPENING  
REMARKS (EMERGENCIES AND QUICK REACTION) PROVIDED IT IS  
ACCOMPANIED BY A FULL EVALUATION ALONG LINES PARA 2  
ABOVE AND PARA 6 REF A. HOWEVER, WE WOULD QUESTION  
WHETHER TRAINING PROGRAMS ARE AT ALL APPROPRIATE FOR TCP.

G. WE STRONGLY BELIEVE THAT TCP IN 1978/79 MUST BE  
MANAGED SO AS TO FOCUS PRIMARILY ON EMERGENCIES AND  
QUICK REACTION PROJECTS, THUS MAKING CLEAR TO ALL  
THAT THERE IS NO OVERLAP WITH UNDP.

H. U.S. NOW REVIEWING ENTIRE UN TECHNICAL ASSISTANCE  
EFFORT. OUR POSTURE IN 1980/81 ON ALL OF THESE RELATED  
MATTERS WILL REFLECT THIS REVIEW AS WELL AS THE OUTCOME  
OF THE FAO COUNCIL'S REVIEW OF TCP.

5. IN ABSENCE OF PACKAGE OUTLINED REF A AND AMPLIFIED

ABOVE, DELEGATION SHOULD PROCEED ALONG LINES PROPOSED  
PARA 12 REF A. VANCE

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## Message Attributes

**Automatic Decaptoning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSTRUCTIONS, POLICIES, TECHNOLOGICAL EXCHANGES, INTERGOVERNMENTAL COOPERATION, FOREIGN ASSISTANCE, FOODS  
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**Copy:** SINGLE  
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**Decapton Note:**  
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**Disposition Event:**  
**Disposition History:** n/a  
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**Document Unique ID:** 00  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 ROME 9341, 77 ROME 9387  
**Retention:** 0  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
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**To:** ROME  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009